

**Prepared Remarks of FCC Commissioner Mignon L. Clyburn**

**Before the Rural Cellular Association's  
Annual Business & Technical Conference**

**South Carolina**

**October 12, 2010**

Ron and Steve, I am so appreciative to you for those gracious words and thanks to you all for such a warm reception.

Most of you know that I'm a proud resident of the great state of South Carolina and to those visiting the Grand Strand, allow me again to welcome you to the Palmetto State. When I heard RCA wanted me to drop by, I was honored, naturally, but when I saw that this event was being held in South Carolina, I thought, they are excellent planners, too.

I say that not just because this is home to me. South Carolina, with its rural communities and economic struggles, is a good example of the challenges that this reconstituted Commission must address if it really wants to meet the National Broadband Plan's goal of promoting world-leading mobile broadband infrastructure.

South Carolina is also a great example of the challenges facing the 90 or so wireless service providers, all members of RCA, who are trying to bring the benefits of advanced mobile voice and data services to all parts of rural America. Since this Commission and RCA are trying to overcome the same challenges, some might say it would make sense for the FCC to pay attention to the policy positions that RCA advocates.

Well, I agree with that view. I cannot promise you that I will agree with all of the details of your policy proposals, but I can promise you that I will pay close attention to your policy positions, particularly those that should provide consumers with more benefits than they currently have. By this I mean more affordable voice and data service choices for consumers, and more advanced applications and services for consumers.

So how do we achieve those goals for consumers? In my opinion, two important areas for the Commission to focus on are (1) reducing the costs that rural providers face in providing service, and (2) universal service policy reform.

**Reducing Costs of Provide Service To Rural Areas**

The Commission has taken a number of steps, in the last year, to lower the costs that rural service providers face. In November 2009, the Commission clarified the time period in which local governments must act to approve wireless infrastructure site applications. Not only will this save wireless companies time and money in application processing, but consumers will be served by new services more quickly.

In April of this year, the Commission eliminated the home market roaming exclusion. This rule was a significant barrier for carriers to obtain roaming rights at reasonable rates, in areas where they had not fully constructed their networks.

I supported this change because I believe roaming fees need to be reasonable until service providers have had a reasonable opportunity to build out their networks. Consumers of course expect seamless voice service on their mobile devices, and the elimination of the home market exclusion gives them a greater opportunity to receive such service.

As you know, we have sought further comment on extending roaming requirements to data services including wireless broadband data services. Roaming is a critical element for providing nationwide service to consumers, and I believe it is reasonable for Americans to expect that their cell phone will work everywhere. This is just one of the first necessary steps to ensure that all wireless carriers have the ability to meet their consumer's expectations.

I was also pleased to support the Notice of Proposed Rulemaking and Notice of Inquiry that the Commission adopted in August, to remove regulatory barriers to greater use of microwave services for wireless backhaul. Rural mobile service providers for years have been asking the Commission to adopt policies that would make it easier for them to find affordable backhaul service solutions. In my opinion, this Commission has heard you and we are not sitting idly by. The Commission's 14th Mobile Services Report provided a lengthy analysis of the problems that mobile service providers face in seeking affordable backhaul solutions.

With the ever-increasing demand for data services, such as video and Internet browsing, the demand for backhaul will continue to increase. Therefore, cost-efficient access to adequate backhaul is a must toward promoting robust competition in the wireless marketplace. And while copper circuits currently serve as the predominant choice for backhaul, fixed wireless (including microwave) solutions are gaining popularity. Indeed, microwave may be the only practical high-capacity backhaul solution available to serve certain remote, rural, areas.

I know that for many rural service providers, changes to the FCC's microwave service rules is not enough to solve all your backhaul issues. Rural service providers have also asked the Commission to ensure that special access services be offered at just and reasonable rates. The Commission staff has an ongoing proceeding, and I will carefully consider your arguments in that docket.

### **Universal Service**

I believe that the FCC must reform its universal service policy in a manner that allows for greater deployment of mobile service infrastructure into rural areas. At the FCC Open Meeting this Thursday, the Commission will take a step forward to achieve greater deployment of wireless infrastructure when we consider the Mobility Fund NPRM. As recommended by the National Broadband Plan, this fund would be designed to provide one-time support to service providers. It is my hope that this infusion of capital could help those states which lag behind in their wireless 3G builds.

I am pleased that we will be focusing on those areas that remain un-served by 3G wireless services. I hope that the record in that proceeding will show that, while certain areas may present barriers that are too difficult to overcome in the short-run, that is not the case for all un-served areas.

### **U.S. Cellular's Belief Project**

I would like to take this opportunity to recognize and compliment one of RCA's member companies. In my view, addressing consumer concerns is one of the most important obligations

the FCC has. Therefore, when I can, I like to publicly acknowledge those companies that are taking important steps to address their customers' concerns.

As you know, early termination fees have been a recent hot topic in Washington. According to a Commission survey conducted in May of this year, 47 percent of consumers said that they did not know how much they would be charged for early termination of their contracts. Disturbingly, 43 percent said that early termination fees, or ETFs, were a major reason why they would stay with their current service. Recent increases in ETFs only exacerbate this problem.

One carrier decided to listen to its customers and address those concerns. U.S. Cellular conducted a survey of its customers and found that 90 percent of them believe that wireless providers should earn their loyalty. A vast majority of U.S. Cellular's customers also said that service providers should not require loyalty by forcing consumers to sign two-year contracts. So, on October 1, U.S. Cellular, the nation's sixth largest wireless service provider by number of subscribers, gave its customers what they want and implemented its "Belief Project." This plan eliminates the early termination fee for U.S. Cellular consumers after their initial two-year contract.

In my opinion, this project is a major step forward for wireless customers, and I hope it will encourage other large carriers to follow a similar course. Instead of competing for which company can charge the highest ETFs; companies should strive to earn their customers continuing loyalty. I applaud U.S. Cellular for their leadership on this issue.

### **Conclusion**

I commend RCA and its members for your perseverance and unrelenting advocacy on behalf of rural and regional carriers. I thank RCA for inviting me to share my thoughts with you, and I look forward to getting to know you more during this evening's events. Thank you.